

Message Text

UNCLASSIFIED

PAGE 01 EDINBU 00189 121437Z

50

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 DRC-01 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

XMB-04 OPIC-06 FTC-01 /119 W
----- 039549

R 121406Z AUG 75

FM AMCONSUL EDINBURGH

TO AMEMBASSY LONDON

INFO SECSTATE WASHDC 855

UNCLAS EDINBURGH 189

E.O. 11652: N/A

TAGS: EFIN, EIND, EINV, UK

SUBJECT: FOREIGN INVESTMENT CLIMATE - SCOTLAND

REF: STATE 165596

THE FOLLOWING IS OFFERED AS CONGEN CONTRIBUTION TO INSTRUCTIONS
UNDER REFERENCE:-

SINCE UNIROYAL AND SINGER FIRST ESTABLISHED FACTORIES IN SCOTLAND
ONE HUNDRED YEARS AGO, SOME 150 OTHER U.S. MANUFACTURING
FIRMS HAVE JOINED THEM. THIS DOES NOT INCLUDE THE HEAVY U.S.
INVOLVEMENT IN OIL EXPLORATION AND DEVELOPMENT IN THE NORTH SEA
(OVER 50 COMPANIES), NOR THE AMERICAN BANKS (4) WHICH HAVE
RECENTLY OPENED BRANCHES IN EDINBURGH.

THE MANUFACTURING COMPANIES CURRENTLY EMPLOY OVER 15 PER CENT OF
SCOTLAND'S MANUFACTURING WORK FORCE WITH SALES IN EXCESS OF
1,700 MILLION DOLLARS. IN GENERAL THESE COMPANIES HAVE AN ABOVE
AVERAGE EXPORT PERFORMANCE, MAINLY TO THE CONTINENT. IT HAS BEEN
THE POLICY OF SUCCESSIVE GOVERNMENTS TO ENCOURAGE INDUSTRIAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EDINBU 00189 121437Z

DEVELOPMENT IN SCOTLAND, AND SPECIAL FINANCIAL ASSISTANCE HAS

BEEN PROVIDED TOWARDS THIS END. BODIES SUCH AS THE SCOTTISH COUNCIL AND THE REGIONAL AUTHORITIES HAVE FOR MANY YEARS GIVEN PRACTICAL ASSISTANCE TO INCOMING COMPANIES AND HAVE MADE AMERICAN COMPANIES WELCOME IN LOCATIONS THROUGHOUT SCOTLAND. AS ELSEWHERE IN THE UNITED KINGDOM, THE PRINCIPAL BUSINESS COMPLAINTS HAVE INVOLVED INFLATION, TAXATION, STRIKES, PRODUCTIVITY, AND PRESSURES TO "BUY BRITISH".

IN THE PAST SCOTLAND HAS TRADITIONALLY COME OFF WORSE THAN OTHER REGIONS OF THE U.K. DURING DOWN-TURNS IN THE ECONOMY. NOW, HOWEVER, A MARKED CHANGE HAS TAKEN PLACE, AND THERE APPEARS TO BE A HIGHER RELATIVE LEVEL OF CONFIDENCE, PARTICULARLY ALONG THE EAST COAST. THE DISCOVERY OF OIL AND GAS IN THE NORTH SEA HAS OBVIOUSLY BEEN A MAJOR FACTOR, WITH AN ESTIMATED 40,000 PERSONS NOW DIRECTLY OR INDIRECTLY EMPLOYED. THE FIRST OIL TO BE LANDED IN SCOTLAND BY PIPELINE IS DUE THIS FALL. THE U.K. IS EXPECTED TO BECOME A NET EXPORTER BY 1980. DURING THIS SAME PERIOD SOME 30 BILLION DOLLARS WILL HAVE BEEN SPENT IN THIS ACTIVITY, AND THERE IS INTERNATIONAL INTEREST BEING SHOWN IN DOWNSTREAM DEVELOPMENT. ADVERSE DEVELOPMENTS, WHICH COULD DELAY PROGRESS ARE HIGH COSTS, RETROACTIVE LEGISLATION, AND THE BRITISH GOVERNMENT MOVE TO ACQUIRE 51 PER CENT INTEREST IN ALL COMPANIES, AS WELL AS TO ESTABLISH A NATIONAL OIL COMPANY.

THE RECENT DECISION BY THE U.K. TO REMAIN WITHIN THE COMMON MARKET HAS BEEN WELCOMED BY AMERICAN COMPANIES CURRENTLY INVESTIGATING THE POSSIBILITY OF ESTABLISHING MANUFACTURING OPERATIONS IN SCOTLAND, EITHER THROUGH WHOLLY OWNED SUBSIDIARIES OR JOINT VENTURES WITH EXISTING SCOTTISH COMPANIES.

STATISTICS FOLLOW SEPARATELY.
FUNKHOUSER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTMENT CLIMATE, INSTRUCTIONS, INVESTMENT OPPORTUNITY REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975EDINBU00189
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750278-0297
From: EDINBURGH
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750857/aaaabygl.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 165596
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 14 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 FEB 2003 by ReddocGW>; APPROVED <10 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN INVESTMENT CLIMATE - SCOTLAND
TAGS: EFIN, EIND, EINV, UK
To: LONDON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006